



Signature International Berhad

(Company No: 754118-K)

(Incorporated In Malaysia with limited liability under the Companies Act 1965)

INTERIM FINANCIAL REPORT 31 DECEMBER 2013

The Board of Directors of Signature International Berhad (“SIB” or “the Company”) is pleased to announce the following unaudited consolidated results of SIB and its subsidiaries (collectively known as “the Group”) for the period ended 31 December 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2013 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2012 RM'000	Current Period Ended 31 Dec 2013 RM'000	Preceding Period Ended 31 Dec 2012 RM'000
Revenue	42,894	31,427	69,914	52,169
Operating expenses	(38,070)	(29,528)	(62,638)	(49,470)
Other operating income	323	308	1,191	623
Profit from operations	5,147	2,207	8,467	3,322
Finance costs	(724)	(374)	(1,147)	(699)
Profit before taxation	4,423	1,833	7,320	2,623
Tax expense	(1,106)	(458)	(1,830)	(656)
Profit/(Loss) after taxation	3,317	1,375	5,490	1,967
Other Comprehensive Income, Net of Tax				
Foreign currency translation	341	32	(12)	50
Total Comprehensive Income for the period	3,658	1,407	5,478	2,017

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013 (CONT'D)

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2013 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2012 RM'000	Current Period Ended 31 Dec 2013 RM'000	Preceding Period Ended 31 Dec 2012 RM'000
Profit after tax attributable to:-				
- Equity holders of the parent	2,910	1,050	4,939	1,671
- Non-controlling interest	407	325	551	296
	<u>3,317</u>	<u>1,375</u>	<u>5,490</u>	<u>1,967</u>
Total Comprehensive Income attributable to: -				
- Equity holders of the parent	3,251	1,082	4,927	1,721
- Non-controlling interest	407	325	551	296
	<u>3,658</u>	<u>1,407</u>	<u>5,478</u>	<u>2,017</u>
Earnings per share (sen)				
- Basic	<u>2.4</u>	<u>0.9</u>	<u>4.1</u>	<u>1.4</u>
- Diluted	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2013	30 June 2013
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	6,737	7,356
Investment properties	21,578	16,400
Long term receivables	4,141	4,141
	<u>32,456</u>	<u>27,897</u>
Current Assets		
Inventories	15,080	14,199
Amount owing by contract customers	320	7,755
Receivables - net of deposits received	46,538	52,476
Tax recoverable	2,336	1,652
Short-term investments	29,483	27,871
Fixed deposit with licensed banks	155	155
Cash and bank balances	18,241	19,623
	<u>112,153</u>	<u>123,731</u>
Non-current assets held for sale	39,533	40,341
	<u>184,142</u>	<u>191,969</u>
TOTAL ASSETS		

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 (CONT'D)

	UNAUDITED	AUDITED
	As at	As at
	31 Dec 2013	30 June 2013
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Reserves	48,251	43,324
Shareholders' equity	<u>108,251</u>	<u>103,324</u>
Non-controlling interest	<u>2,927</u>	<u>2,376</u>
TOTAL EQUITY	<u>111,178</u>	<u>105,700</u>
Non-Current Liabilities		
Hire purchase payables	1,040	1,255
Term loans	16,721	17,657
Deferred taxation	2,548	2,548
	<u>20,309</u>	<u>21,460</u>
Current Liabilities		
Payables	17,142	27,448
Amount owing to contract customers	32,294	34,343
Provision for taxation	639	430
Hire purchase payables	399	381
Term loan	2,181	2,207
	<u>52,655</u>	<u>64,809</u>
TOTAL LIABILITIES	<u>72,964</u>	<u>86,269</u>
TOTAL EQUITY AND LIABILITIES	<u>184,142</u>	<u>191,969</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	<u>0.90</u>	<u>0.86</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

	← Attributable to equity holders of the parent →		← Non Distributable Reserves →		← Distributable →		Attributable To owners of The Company RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000			
Balance at 1.7.2013	60,000	(920)	-	(28,123)	79	72,288	103,324	2,376	105,700
Profit after taxation for the financial year	-	-	-	-	-	4,939	4,939	551	5,490
Other comprehensive income for the financial year, net of tax;									
- foreign exchange translation	-	-	-	-	(12)	-	(12)	-	(12)
Total comprehensive income for the financial year	-	-	-	-	(12)	4,939	4,927	551	5,478
At 31 December 2013	60,000	(920)	-	(28,123)	67	77,227	108,251	2,927	111,178

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013 (CONT'D)**

	← Attributable to equity holders of the parent →						Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
	Non Distributable Reserves			Distributable					
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000			
At 1 July 2012									
as previously stated	60,000	-	7,196	(28,567)	(339)	63,038	101,328	1,904	103,232
- Effect of transition to MFRS	-	-	(7,196)		339	6,857	-	-	-
At 1 July 2012, as restated	60,000	-	-	(28,567)	-	69,895	101,328	1,904	103,232
Total Comprehensive Income for the year	-	-	-	-	50	1,671	1,721	296	2,017
At 31 Dec 2012	60,000	-	-	(28,567)	50	71,566	103,049	2,200	105,249

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2013

	Financial Year Ended 31 Dec 2013 RM'000	Preceding Year Ended 31 Dec 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,320	2,623
Adjustments:		
Amortisation and depreciation	1,290	1,253
Loss / (Gain) on disposal of property, plant and equipment	-	(36)
Provision for doubtful debts	(500)	315
Write-back of provision for doubtful debts	(30)	-
Gain on foreign exchange - unrealised	(249)	44
Fair value (gain)/loss on short term investment	-	-
Interest income	(536)	(200)
Interest expense	493	547
Changes in working capital	7,788	4,546
Inventories	(881)	(2,799)
Receivables	6,717	477
Amount owing by contract customers	5,385	14,116
Payables	(10,306)	(6,236)
Cash generated from operations	8,703	10,104
Interest received	536	200
Interest paid	(493)	(547)
Income tax paid	(2,304)	(2,484)
Net cash inflow from operating activities	6,442	7,273
CASH FLOWS FROM / (USED) IN INVESTING ACTIVITIES		
Additions of property, plant and equipment and prepaid lease rentals	(138)	(1,203)
Additional Purchase / works on investment properties	(3,415)	(450)
Proceeds from disposal of short term investments	-	113
Purchase of short term investments	(3,100)	(2,992)
Net cash from / (used) in investing activities	(6,653)	(4,532)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2013 (CONT'D)

	Financial Year Ended 31 Dec 2013 RM'000	Preceding Year Ended 31 Dec 2012 RM'000
CASH FLOWS FROM / (USED) IN FINANCING ACTIVITIES		
Hire purchase repayment	(197)	(137)
Borrowings	(962)	(1,293)
Net cash from / (used) in financing activities	(1,159)	(1,430)
Effects of exchange rate changes on cash and cash equivalents	(12)	50
NET DECREASED IN CASH AND CASH EQUIVALENTS	(1,370)	1,361
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,778	15,865
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,396	17,276
Cash and cash equivalents comprise:		
Deposits with licensed banks	155	150
Cash and bank balances	18,241	17,126
	18,396	17,276



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INTERIM FINANCIAL REPORT 31 DECEMBER 2013

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)

1. Basis Of Preparation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 – “Interim Financial Reporting” issued and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). This condensed consolidated interim financial statements also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB). For the periods up to and including the year ended 30 June 2013, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRS).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial report.

These condensed consolidated interim financial statements are part of the period covered by the Group’s first MFRS annual financial statements for the financial year ended 30 June 2013. MFRS 1: First-Time Adoption of Malaysian Financial reporting Standards (“MFRS 1”) has been applied.

2. Significant Accounting Policies

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. Significant Accounting Policies (Con't)

MFRSs and IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective Date
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2009 - 2011 Cycle	1 January 2013

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- a) MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments.
- b) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements
- c) The amendments to MFRS 7 (Disclosures - Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
- d) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.
- e) The Annual Improvements to MFRSs 2009 - 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

3. Comments about Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by seasonal or cyclical factors other than the retail / non-project sector which is affected by the festive periods in Malaysia.

4. Unusual Items due to their nature, size or incidence

There were no items of a material and unusual nature which would substantially affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in Estimates

There were no estimates announced in regard of the current quarter results.

6. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

7. Dividend Paid

No dividends were paid during the quarter under review.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Marketing and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000	Interior fit-out works RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 3 months Quarter ended 31 Dec 2013							
REVENUE:							
External revenue	33,815	996	7,563	520	-	-	42,894
Inter-segment revenue	11,622	2,043	481	-	2,418	(16,564)	-
Total revenue	45,437	3,039	8,044	520	2,418	(16,564)	42,894
RESULTS							
Segment results	1,688	682	1,221	(205)	1,761	-	5,147
Finance costs	(696)	(18)	(9)	(1)	-	-	(724)
Profit / (loss) from ordinary activities before taxation	992	664	1,212	(206)	1,761	-	4,423
Income tax expense							(1,106)
Profit / (loss) from ordinary activities after taxation							3,317
Non-controlling interest							(407)
Net profit / (loss) attributable to equity holders of the Company							2,910



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8. Segmental Information (Cont'd)

The Group	Design Manufacture and Retail Of Kitchen And Wardrobe Systems RM'000	Marketing and Distribution Of White Goods RM'000	Manufacture Of Glass and Aluminium Products RM'000	Others RM'000	Eliminations RM'000	The Group RM'000
Result for 3 months Quarter ended 31 Dec 2012						
REVENUE:						
External revenue	23,639	1,266	6,522	-	-	31,427
Inter-segment revenue	7,268	799	244	455	(8,766)	-
Total revenue	30,907	2,065	6,766	455	(8,766)	31,427
RESULTS						
Segment results	1,134	196	950	(73)	-	2,207
Finance costs	(362)	(4)	(8)	-	-	(374)
Profit / (loss) from ordinary activities before taxation	772	192	942	(73)	-	1,833
Income tax expense						(458)
Profit / (loss) from ordinary activities after taxation						1,375
Non-controlling interest						(325)
Net profit / (loss) attributable to equity holders of the Company						1,050



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. Segmental Information (Cont'd)

The Group	Design	Manufacture	Marketing	Manufacture	Interior	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	And Distribution Of White Goods	and Of Glass Aluminium Products	fit-out works				
	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Result for 6 months								
Quarter ended 31 Dec 2013								
REVENUE:								
External revenue	57,026	1,630	10,738	520	-	-	-	69,914
Inter-segment revenue	20,830	3,658	831	-	2,881	(28,200)	-	-
Total revenue	77,856	5,288	11,569	520	2,881	(28,200)	(28,200)	69,914
RESULTS								
Segment results	4,695	830	1,699	(205)	1,448	-	-	8,467
Finance costs	(1,094)	(35)	(17)	(1)	-	-	-	(1,147)
Profit from ordinary activities before taxation	3,601	795	1,682	(206)	1,448	-	-	7,320
Income tax expense								(1,830)
Profit from ordinary activities after taxation								5,490
Non-controlling interest								(551)
Net profit attributable to equity holders of the Company								4,939



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8. Segmental Information (Cont'd)

The Group	Design	Marketing	Manufacture	Others	Eliminations	The Group
	Manufacture and Retail Of Kitchen And Wardrobe Systems	and Distribution Of White Goods	Manufacture Of Glass and Aluminium Products			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Result for 6 months						
Year ended 31 Dec 2012						
REVENUE:						
External revenue	40,263	1,747	10,159	-	-	52,169
Inter-segment revenue	13,954	1,880	497	916	(17,247)	-
Total revenue	54,217	3,627	10,656	916	(17,247)	52,169
RESULTS						
Segment results	2,139	348	998	(163)	-	3,322
Finance costs	(674)	(10)	(15)	-	-	(699)
Profit from ordinary activities before taxation	1,465	338	983	(163)	-	2,623
Income tax expense						(656)
Profit from ordinary activities after taxation						1,967
Non-controlling interest						(296)
Net profit attributable to equity holders of the Company						1,671



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8. Segmental Information (Cont'd)

Assets and Liabilities

As at 31 Dec 2013

OTHER INFORMATION

Segment assets	154,770	10,755	27,009	845	65,764	(77,525)	181,618
Unallocated assets							2,524
							<u>184,142</u>
Segment liabilities	85,974	2,778	19,483	123	7,663	(46,244)	69,777
Unallocated liabilities							3,187
							<u>72,964</u>

Assets and Liabilities

As at 30 June 2013

OTHER INFORMATION

Segment assets	169,707	10,184	22,443	-	64,060	(76,077)	190,317
Unallocated assets							1,652
							<u>191,969</u>
Segment liabilities	102,902	2,851	16,367	-	7,360	(46,189)	83,291
Unallocated liabilities							2,978
							<u>86,269</u>



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9. Property, Plant and Equipment Valuation

There were no changes in the valuations of the Property, Plant and Equipment since the last audited financial statements. Upon transition to MFRS, the Group used the previous revaluation at or before the date of transition as deemed cost for property, plant and equipment.

10. Profit / (Loss) before taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2013 RM'000	Preceding Corresponding Quarter Ended 31 Dec 2012 RM'000	Current Year Ended 31 Dec 2013 RM'000	Preceding Corresponding Year Ended 31 Dec 2012 RM'000

Profit / (Loss) before taxation is arrived at after charging :-

Interest expense	342	336	493	547
Depreciation and amortisation	590	597	1,290	1,253
Provision for and write off of receivables	500	315	500	315
Loss on foreign exchange	25	42	35	44

Profit / (Loss) before taxation is arrived at after Crediting :-

Interest Income	275	85	536	200
Other Income including Investment Income	47	122	94	223
Write-back of provision for doubtful debts	-	-	30	-
Gain on foreign exchange	64	35	284	35
Gain on disposal of property, plant and equipment	-	77	-	113

11. Material Events Subsequent to the end of the interim period

There were no material events that occurred subsequent to the current period.

12. Changes in the Composition of the Group

On 14 November 2013, Signature International Berhad ("SIGN") acquired two (2) ordinary shares of RM1.00 each in Signature Realty Sdn Bhd (Company No. 1068109-D) ("SRSB") representing the entire issued and paid-up share capital of SRSB. Upon the acquisition, SRSB become a wholly-owned subsidiary of SIGN.



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13. Changes in Contingent Assets or Contingent Liabilities

As at 31 December 2013, corporate guarantees extended to licensed banks for credit facilities granted to the subsidiaries as follows:-

	Current Year Ended 31 Dec 2013 RM'000	Preceding Year Ended 31 Dec 2012 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	<u>19,768</u>	<u>7,781</u>

14. Capital Commitments

Capital commitments for the purchase of property, plant and equipment and investment properties not provided for in the interim financial statements as at the balance sheet date were as follows:

	Current Year Ended 31 Dec 2013 RM'000	Preceding Year Ended 31 Dec 2012 RM'000
Approved and contracted for:-		
Investment Properties	<u>3,327</u>	<u>1,262</u>
Total capital commitments	<u>3,327</u>	<u>1,262</u>

15. Significant Related Party Transactions

In the last quarter, a wholly-owned subsidiary, namely Signature Cabinet Sdn Bhd acquired two (2) units of serviced apartments to be erected on a piece of freehold land under H.S.(D) 283190, P.T. 35472 in the Mukim Damansara, Daerah Petaling, from HSB Development Sdn Bhd, for a total cash consideration of RM3,699,900. HSB Development Sdn Bhd is the wholly-owned subsidiary of HSC Healthcare Sdn Bhd. HSC Healthcare Sdn Bhd is the substantial shareholder of SIGN. In addition, Dr Lim Yin Chow is deemed a substantial shareholder in SIGN by virtue of his interest in HSC Healthcare Sdn Bhd.



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15. Significant Related Party Transactions (Cont'd)

Name of Company

Principal Activities

Putra Perdana Construction Sdn Bhd*
 - (through a development project contract
 with HSB Development Sdn Bhd)

Property Development

Individual Period		Cumulative Period	
Current Quarter Ended	Preceding Period Corresponding Quarter Ended	Current Period Ended	Preceding Period Ended
31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
RM'000	RM'000	RM'000	RM'000

HSB Development Sdn Bhd

Project claims for Kitchen &
 Wardrobe Systems

2,624	-	2,624	-
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* HSB Development Sdn Bhd is a wholly-owned subsidiary of HSC Healthcare. Dr. Lim, a director of SIGN, is deemed as an "Interested Director" and "Interested Major Shareholder" by virtue of his interest in HSC Healthcare. HSC Healthcare is a major shareholder of SIGN and is therefore deemed as an "Interested Major Shareholder" of SIGN.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.**
16. Review of Performance
- Current Quarter 3 months ended 31 December 2013

A summary of the financial results is set out below:-

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2013 RM'000	Preceding Period Corresponding Quarter Ended 31 Dec 2012 RM'000	Current Year Ended 31 Dec 2013 RM'000	Preceding Year Ended 31 Dec 2012 RM'000
Revenue	42,894	31,427	69,914	52,169
Profit before taxation	4,423	1,833	7,320	2,623

The Group recorded a revenue of RM42.9million, an increase of RM11.5million or 36.5%, as compared to the preceding year corresponding quarter of RM31.4million. The increased revenue was mainly due to higher revenue from project sales of the Kitchen and Wardrobe segment and Glass and Aluminium segment. However, the White Goods and Appliances segment recorded a marginal drop in sales due to lower revenue contribution from its dealers sales.

The profit before tax for the current quarter improved by RM2.6million or 141.3% from RM1.8million in the preceding corresponding quarter to RM4.4million in the current quarter. The significant improvement was due to higher revenue recognised from the project and retail division of the Kitchen and Wardrobe segment.

Kitchen and Wardrobe Systems

The overall improvement was contributed by Kitchen and Wardrobe segment where the revenue recorded an increase of RM10.2million or 43.0% from RM23.6million in the preceding corresponding quarter to RM33.8million in the current quarter under review. Both the project and retail division has recorded significant improvement in its sales volume.

The profit before tax for this segment was RM1.0million as compared to preceding year corresponding quarter, RM0.8million. The improved performance from this segment was due to higher sales being recorded for the quarter under review.



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16. Review of Performance (Cont'd)

- Current Quarter 3 months ended 31 December 2013

White Goods and Built-in Kitchen Appliances

This segment recorded a drop in sales of RM0.3million or 21.3% in revenue from RM1.3million in the preceding year corresponding quarter to RM1.0million in the current quarter. The drop was mainly due to decrease in dealers sales volume during the quarter.

However, the profit before tax for this business segment improved by RM0.5million or 245.8% compared to preceding year corresponding quarter, as a result from the improvement of the gross profit margin for the products.

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded a higher revenue of RM7.6million for the current quarter as compared to the preceding year corresponding quarter of RM6.5million. The RM1.1million or 16.0% increase was mainly due to higher revenue contribution from the project segment in the current quarter.

The profit before tax has on the other hand recorded an improvement from RM0.9million in preceding year corresponding quarter to RM1.2million in current quarter. The improvement was from recognition of profits from higher gross profit margin projects as well as some bad debts recovered and higher dividend income received from short term investment in the current quarter.

Interior Fit-out Segment

This newly set-up segment contributes project revenue of RM 0.5million. However for the first business year, this segment incurred loss before tax of RM0.2 million which resulted from the operating expenses such as salaries and business development costs.

Others Segment

The Other Segment inclusive of Investment Holding Company, Properties Investment Company and Dormant Companies. The main source of revenue for the reporting quarter represents Management fee charged by Holding Company and dividend receivable by the Holding Company which was eliminated at the Group level.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. Review of Performance (Cont'd)

- Cumulative period to-date 6 months ended 31 December 2013

In the current year to-date, the Group recorded revenue of RM69.9million as compared to the preceding year corresponding period of RM52.2million. The RM17.7million or 33.9% improvement in revenue was mainly due to higher sales contribution from Kitchen and Wardrobe, Glass and Aluminum products segment as well as the new business segment in interior fit-out.

The Group profit before tax for current year to-date increased by RM4.7million or 179.1% compared with preceding year corresponding period, from RM2.6million to RM7.3million. The increased in profit before tax was mainly contributed by the increase in revenue as well as margin improvement from both Kitchen and Wardrobe and Glass and Aluminium divisions.

Kitchen and Wardrobe Systems

The Kitchen and Wardrobe segment recorded revenue of RM57.0million as compared to the preceding year corresponding period of RM40.3million. The RM16.7million or 41.6% increase in revenue was mainly attributed from higher sales generated from the local retail and project segment.

In line with increment in sales and improvement in margins, the profit before tax for Kitchen and Wardrobe recorded an increase of RM2.1million as compared with preceding year corresponding period, from RM1.5million to RM3.6million.

White Goods and Built-in Kitchen Appliances

The White Goods and Built-in Kitchen Appliances segment registered a revenue of RM1.6million as compared to the preceding year corresponding period of RM1.7million. The slight dropped of RM0.1million or 5.9% in revenue was mainly due to lower sales contribution from dealers.

The profit before tax for White Goods and Built-in Kitchen Appliances segment for the current period recorded RM0.8million as compared to the preceding year corresponding period of RM0.3million. The increased in profit before tax was from the improvement in the gross profit margin for the products.

Glass and Aluminium Product

The Glass and Aluminium Product segment recorded an approximately a consistent revenue, RM10.7million as compared to the preceding year corresponding period of RM10.2million. The RM0.5million or 4.9% increased in revenue is mainly due to higher sales being recorded from its project division.

In line with the increased in revenue, the profit before tax for the current period increased to RM1.7million as compared to RM1.0million in preceding year corresponding period. The improvement in profit by RM0.7million was mainly contributed from higher project margin being recorded in the current period.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. Review of Performance (Cont'd)

- Cumulative period to-date 12 months ended 30 June 2013

Interior Fit-out Segment

This newly set-up segment contributed project revenue of RM 0.5million. However for the first year, this segment incurred loss before tax of RM0.2 million which resulted from the operating expenses such as salaries and business development costs.

Others Segment

The Other Segment inclusive of Investment Holding Company, Properties Investment Company and Dormant Companies. The main source of revenue for the reporting period represents Management fee charged by the Holding Company which was eliminated at the Group level.

17. Material change in Profit before tax of Current Quarter compared with Preceding Quarter

	Individual Period	
	Current Quarter Ended 31 Dec 2013 RM'000	Preceding Quarter Ended 30 Sept 2013 RM'000
Revenue	42,894	27,020
Profit before taxation	4,423	2,897

The Group registered a revenue of RM42.9million for the current quarter as compared to the immediate preceding quarter of RM27.0million. The RM15.9million or 58.7% increase was generally due to higher revenue being recorded for the project and retail division of Kitchen and Wardrobe as well as the project revenue from the Glass and Aluminium segment.

In tandem with the increased in revenue, the Group recorded a profit before tax of RM4.4million in the current quarter under review as compared to RM2.9million in the preceding quarter.



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18. Current Year Prospects

For the current year under review, all business segments contributed significantly to the Group revenue. The project division of the Kitchen Cabinet segment has recorded an all time high order book of RM220 million. This has propelled the Group with higher sales contribution. While for the retail division, the sales activities via the aggressive participation in all the sales exhibition has proven to be effective with significant sales order being secured and to be delivered in coming months.

With a new business segment in interior fit-out to complement the existing business segment, we are expecting to leverage on the growing portfolio of clients from projects division. This will further strengthen and consolidate this business segment as an industry leader.

Barring any unforeseen circumstance, the Board is optimistic that the Group will continue to achieve satisfactory performance for the financial year under review with our strong unbilled order book from both project and retail.

19. Variance between Actual Results and Forecast Results

The Group did not issue any profit forecast or profit guarantee in respect of the current quarter under review.

20. Taxation

	Individual Period		Cumulative Period	
	Current Quarter Ended	Preceding Period Corresponding Quarter Ended	Current Period Ended	Preceding Period Ended
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	RM'000	RM'000	RM'000	RM'000
Current Tax Expense				
- Current Year	1,106	458	1,830	656
- Deferred Tax	-	-	-	-
Total Income Tax Expense	1,106	458	1,830	656



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21. Status of Corporate Proposals/Exercises

1. Signature International Berhad ("SIGN") proposed acquisition by Signature Manufacturing Sdn Bhd, a wholly-owned subsidiary of SIGN, of three (3) adjoining parcels of vacant industrial land located at:-
 - (i.) Lot 25, Eastern Gateway Industrial hub @ Bandar Bukit Raja, held under suratan hakmilik sementara no. h.s.(d) 139768, PT no. 69195, Mukim Kapar, Daerah Klang, Selangor measuring approximately 15,962 square metres (or approximately 171,626.4 square feet) ("land i") from Aspen Point Sdn Bhd for a total cash consideration of approximately RM15,961,255.
 - (ii.) Lot 26, Eastern Gateway Industrial hub @ Bandar Bukit Raja, held under suratan hakmilik sementara no. h.s.(d) 139769, PT no. 69196, Mukim Kapar, Daerah Klang, Selangor measuring approximately 16,212 square metres (or approximately 174,675.6 square feet) ("land ii") from Sierra Towers Sdn Bhd for a total cash consideration of approximately RM16,244,830.
 - (iii.) Lot 27, Eastern Gateway Industrial hub @ Bandar Bukit Raja, held under suratan hakmilik sementara no. h.s.(d) 139758, PT no. 69185, Mukim Kapar, Daerah Klang, Selangor measuring approximately 17,057 square metres (or approximately 183,387.6 square feet) ("land iii") from Eight Edition Sdn Bhd for a total cash consideration of approximately RM17,055,047.
2. Proposed disposal by Signature Cabinet Sdn Bhd, a wholly-owned subsidiary of Signature International Berhad, of two parcels of contiguous land held respectively under h.s.(d) 241037, PT 9926 and h.s.(d) 241038, PT 9927 of Pekan Baru Sungai Buloh, district of Petaling, state of Selangor measuring approximately 29,728 square metres (or equivalent to 319,989 square feet) to Purple Heights Sdn Bhd, a wholly-owned subsidiary of Meda Inc. Berhad, for a total consideration of RM75,200,000 to be settled partly in cash and part payment in kind.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
22. Borrowings and Debt Securities

The Group's borrowings as follows:

	Cumulative Period	
	Current Year Ended 31 Dec 2013 RM'000	Preceding Year Ended 31 Dec 2012 RM'000
Term Loan (Secured) :-		
Current	2,181	2,537
Non Current	16,721	17,476
Total Bank Borrowing	18,902	20,013

23. Material Litigation

ID Industries Sdn Bhd ("ID Industries") and Wong Jee Jong (collectively known as the "Plaintiffs") vs Signature Cabinet Sdn Bhd ("Signature Cabinet"), Tan Kee Choong and Chooi Yoey Sun (collectively known as the "Defendants").

On 29 October 2013, the Plaintiffs had filed a statement of claim against the Defendants at the High Court of Malaya at Shah Alam ("High Court") to seek, among others, a declaration that the termination of the dealership agreement dated 2 July 2007 between Signature Cabinet, a wholly-owned subsidiary of SIGN, and ID Industries ("Dealership Agreement") via a termination notice dated 3 October 2013 issued by Signature Cabinet is wrongful, which is claimed together with general damages ("Statement of Claim"). The termination notice was issued in accordance with clause 17.3 of the Dealership Agreement, wherein each party to the agreement is entitled to terminate the Dealership Agreement by giving 3 months' notice in writing. The Plaintiffs alleged that the termination of the Dealership Agreement between Signature Cabinet and ID Industries was unreasonable, wrong and not bona fide as it allegedly breached a collateral agreement and the fiduciary duties of the Defendants to the Plaintiffs as "co-venturer".

Further, the Plaintiffs are also seeking compensation of RM10,041,815 (being the amount of rent, renovation cost, utilities and insurance for setting up of showrooms) under the alleged terms of a collateral agreement and other costs to be assessed. On 28 November 2013, a statement of defence had been filed at the High Court by the Plaintiffs and subsequently, case management before the judge has been fixed for 7 February 2014.

The Board of Directors of SIGN ("Board"), having considered the legal advice from the solicitors handling the matter for them presently, is of the opinion that Signature Cabinet has more than a fair chance against such claims. Accordingly, the Board is of the opinion that no provision is required to be made for such claims.



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24. Proposed Dividend

A first and final single tier tax exempt dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 June 2013 will be paid on 30 January 2014.

25. Earnings per Share

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the quarter ended 31 December 2013.

	Individual Period		Cumulative Period	
	Current Quarter Ended 31 Dec 2013 RM'000	Preceding Year Corresponding Quarter Ended 31 Dec 2012 RM'000	Current Year Ended 31 Dec 2013 RM'000	Preceding Year Ended 31 Dec 2012 RM'000
BASIC EARNINGS PER SHARE				
Profit for the year attributable to ordinary equity holders of the Company	2,910	1,050	4,939	1,671
Weighted average number of ordinary shares in issue ('000)	119,502	120,000	119,502	120,000
Basic Earnings per Share (sen)	2.4	0.9	4.1	1.4



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26. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31 Dec 2013 RM'000
Total retained profits/ (accumulated losses) of Signature International Berhad and its subsidiaries:	
- Realised	80,528
- Unrealised	(5,960)
	<hr/>
	74,568
Consolidation adjustments	2,659
	<hr/> <hr/>
	77,227

27. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2013 were not subject to any qualification.

28. Authorisation for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board on 25 February 2014.